

## The Americas Spectrum Management Conference 2011

### The benefits of closer co-operation between Europe and the Americas on spectrum policies

#### A speech by Mike Byrne, Chair of RSPG and Commissioner, ComReg, Ireland

Mr. Chairman, fellow speakers, delegates and ladies and gentlemen. I would like to begin by thanking you for giving me the opportunity to deliver this address on a topic that I see as being of crucial importance to both the European Union and the Americas regions – that of closer cooperation between the two regions on spectrum policies.

In addition to being a Commissioner at the Commission for Communications Regulation, the Communications Regulatory Authority in Ireland, I also have the honour at the European level of chairing the Radio Spectrum Policy Group (RSPG) – a high-level group of regulators and ministries which provides strategic advice to the European Commission.

In this role, I find that the issue of cooperation at every level - be it national, regional or global, is becoming increasingly important to the future development of communications in this digital age that we find ourselves living in today.

To begin, I would like to give a brief overview of the structure of the European Union, how the decision-making processes work, and an outline of the groups that input in EU spectrum policy development. I will follow this with an outline of the key benefits to be gained from spectrum harmonisation and increased levels of cooperation both within and between different regions and finally, an outline of the ways in which our two regions can increase our current levels of cooperation so as **to maximise** those benefits that can be gained.

## What is the structure of the EU?

*What are the decision-making processes?*

The European Union faces many challenges in relation to the development of common policies across a range of countries which have many national differences including their regulatory regimes and legacy radiocommunications networks. However, once these challenges are adequately addressed, the benefits that can be gained are substantial. As there are likely to be some among you that are not familiar with the cooperative structure of the EU, I will now provide a short overview.

The European Union is an **economic** and **political** partnership between 27 countries or Member States, representing a total population of more than 350 million people. In addition to the existing Member States, there are five candidate countries (namely Croatia, Iceland, the Former Yugoslav Republic of Macedonia, Montenegro and Turkey). Additionally, Albania, Bosnia and Herzegovina, Kosovo and Serbia have the status of 'potential candidates for entry' to the EU.

The EU's standard decision-making procedure is known as 'codecision'. The European Commission is the executive body that proposes legislation, under its so-called 'right of initiative' and subsequently implements EU legislation. The proposed legislation is negotiated with, and must be approved by, the directly elected European Parliament as well as by the Council (the gathering of the governments of the 27 EU countries).

The three key institutions involved in the decision-making processes are therefore:

- The European Parliament  
It is directly elected by EU voters every 5 years, members of the European Parliament (MEPs) represent the people of Europe;
- The Council of the European Union  
Represents the individual member states;

- The European Commission

Having the right of initiative from a legislative viewpoint, it seeks to uphold the interests of the Union as a whole and is the guardian of the Treaties, ensuring the correct implementation of the EU legislation.

In summary: this 'institutional triangle' produces the policies and laws that apply throughout the European Union. As I previously referred to, it is the Commission that proposes new laws, but it is the Parliament and Council that adopt them. The Commission and the member states then implement them, and the Commission ensures that the laws are transposed into national legislation and are then adhered to.

There are also cases where decisions must be taken by Member States at unanimity (e.g. for fiscal matters) or decisions which are delegated by the legislator to the European Commission, but these cases are the exception rather than the main procedure for enactment of legislation in Europe.

## How does this translate into spectrum policy making in Europe

There are two bodies which are particularly relevant:

1. The **Radio Spectrum Committee**: which is a Committee of Member States representatives which has the task to approve EU spectrum harmonisation measures proposed by the Commission under a delegated power.
2. The **Radio Spectrum Policy Group**, which I chair as I mentioned, which acts at policy advisor level.

## What is the RSPG

The **Radio Spectrum Policy Group** (RSPG) is a high-level advisory group that assists the European Commission in the development of radio spectrum policy. The RSPG assists the Commission (and through it other EU institutions such as the Parliament and Council) with advice in a number of areas, such as coordination of policy,

harmonisation and the efficient use of spectrum in order to support the aims of the single European Market.

The group comprises senior representatives from each Member States and includes a representative of the European Commission. A number of observers take part in the meetings also, such as representatives from the **European Conference of Postal and Telecommunications Administrations CEPT**, the **European Economic Area (EEA)**, **candidate countries** and representatives from the **European Telecommunications Standards Institute (ETSI)**.

The scope of the work produced by the RSPG covers a broad range of areas; technological, market and regulatory developments as well as taking a forward looking view of spectrum usage. The RSPG consults extensively in preparing deliverables – which are in the form of written Opinions and Reports - and always aims to take account of the views of interested parties from across all possible sectors when forming such Opinions.

Among the strategic issues that RSPG has previously addressed and advised on in the form of written Opinions include: **secondary trading of spectrum (2004)**; **coordinating the switchover from analogue to digital terrestrial television (2004)**; **Wireless Application Policy for Electronic Communication Services (WAPECS) (2005)**; **progressing the availability of the so called ‘digital dividend’ (2007, 2009, 2010)**; **collective use of spectrum (2008)** and **issues concerning the coordination of frequencies at the outer EU borders (2008)**.

The RPSG publishes an annual work programme which, for those of you that might be interested, is available for review on the RSPG website: <http://rspg.groups.eu.int/>

In addition to the RSPG and Radio Spectrum Committee, which are bodies acting exclusively at EU level, there is another body concerned with European spectrum policy development: **CEPT**. You are probably more familiar with **CEPT, the European Conference of Postal and Telecommunications Administrations**, than with the two other EU bodies, particularly those of you involved in the work of the **ITU** such as

**World Radiocommunication Conferences.** This is because the CEPT has historically had the role of coordinating spectrum at the international level. The membership of CEPT is wider than the EU and consists of representatives from 48 European countries (including Western, Central and Eastern Europe). The remit of the group is to promote common views across the EU, promoting further European harmonisation, including that of the radio spectrum, with an emphasis on practical cooperation between European countries to help realise Europe-wide regulatory harmonisation. Additionally, CEPT develops and adopts spectrum harmonisation measures on basis of consensus between the members and undertakes technical studies for the EC on the basis of mandates from the same. **Most importantly, CEPT represents European interests in the ITU, for example by developing common European proposals to the forthcoming WRC-12,** and other international fora.

Coordination of spectrum use with countries that border the EU is crucial and good examples of successful negotiations in this respect are the recent decisions regarding the use of the 800 MHz band. For example, while in Finland the decision was taken to reserve this band for the use of high speed mobile networks, in Russia it was used by air navigation systems. Ultimately a mutually acceptable outcome was reached – demonstrating why frequency coordination is necessary and what benefits can be achieved for all through good cooperation.

## **What are the benefits of harmonisation?**

### Economic and Social benefits of spectrum

The use of the radio spectrum in our day-to-day lives is something which we have come to take for granted. We are reliant on it not only for essential communications such as those used in air and sea navigation systems, access to emergency services and national broadcasting but also for personal communications and entertainment services. These categories of use are not restricted to small defined areas but extend upwards from a national level to global usage. Harmonisation is crucial to the support and further development of these and newer services. When we look at

the success of GSM, for example, we see how it has had a transformative effect on communications across Europe. We have benefitted from not only easier management of frequency plans but more importantly from the development of our internal market and an enormous increase in the economies of scale offered to the service providers and the manufacturers alike, which then translates into a unified system at a much reduced cost to the end user.

Proper and efficient use of spectrum is not only of benefit to end users and the promotion and growth of the ICT sector as a whole, it also has the capability to support sustainable **economic growth**, thus reducing the overall time taken for all member states to recover from the current crisis, support *green* policies both within the industry itself and as a *green-facilitator* for other industries also<sup>1</sup>, help to minimise social exclusion by supporting ubiquitous and affordable broadband access and also to create many new jobs. On the other hand, an inward looking spectrum policy may lead to increased fragmentation of spectrum or result in a reverse trend to diversity of use between countries or regions, with consequential higher costs in products and services being tailored for each individual region. **Cooperative spectrum policies** are a key factor in ensuring that this does not happen.

There are many efficiencies to be gained through increased cooperation between our two regions, not least of which is the interoperability of spectrum-dependent systems, particularly in instances of **global or wide-scale disaster relief** where responses and coordination of relief efforts and emergency services is crucial and response times are critical. It makes sense that on this basis alone - that of the protection of life - we should cooperate effectively with one and other to develop globally harmonised solutions.

Of course, in addition to these critical systems there are many economic benefits to consider. We live in a world which deals with economies at a global level, as illustrated by the recent problems with our respective economies. Now more than

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<sup>1</sup> Facilitation of green policies for other industries includes things such as allowing for increased tele-working of individuals etc.

ever there is economic inter-dependence across our regions and the impact that the telecommunications industry has on these economies is both large and growing **Within Europe**, for 2010 the economic value of services derived from radio spectrum **is estimated** at around **2.5% of aggregate EU gross domestic product (GDP)** and spending on mobile networks in the coming years is expected to largely outpace the **average** growth of the telecom equipment manufacturing sector. In addition to this, and taking **actual** figures from 2008, **total EU telecoms revenues were €351 Billion**. As a proportion of EU27 GDP<sup>2</sup> in that year, **this equates to 2.8% of the overall total**. This is a considerable contribution indeed, particularly as it does not take into account the indirect benefits such as sustaining and growing employment levels or supporting other industries such as manufacturing that also benefit.

In addition to these figures, a recent report from Deloitte and Touche<sup>3</sup> claims that the US mobile industry could invest up to **\$53 billion in next generation “4G”** networks between 2012 and 2016, contributing up to **\$151 billion in GDP growth and creating up to 771,000 jobs**. Extrapolate this on a global basis and you can see that ICT has a key role to play in supporting the recovery of the global economy.

Also recently, the GSMA<sup>4</sup> suggested that spectrum harmonisation for the use of mobile communications across the Asia-Pacific region was not only crucial to the socio-economic development of the area, but also had the potential to add **\$729 billion to the GDP of those nations by 2020** – a powerful driver for combining efforts and aligning policies I’m sure you would agree.

### **How to cooperate more effectively?**

So with all of the potential benefits, ranging from economic to social, available to those countries and regions which cooperate and harmonise spectrum allocations, how can we incorporate a higher level of cooperation between our two regions?

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<sup>2</sup> EU GDP in 2008 was 12,472,627,700,000 – figures taken from EuroStat

<sup>3</sup> The impact of 4G technology on commercial interactions, economic growth and U.S. competitiveness.

<sup>4</sup> November 2010, <http://www.gsmworld.com/newsroom/press-releases/2010/5703.htm>

In March of 2010 The European Parliament and the European Commission hosted a *Spectrum Summit* involving all the key decision makers and relevant stakeholders to discuss the role that spectrum had in supporting social inclusion and economic growth. The summit concluded that Radio Spectrum was not only a valuable public resource, but also is one of the key foundations to building our digital future. And so, in order to ensure that we are managing it appropriately, the necessary supportive policies must be in place which allow for flexible and dynamic access in order to ensure that it is being used to maximum efficiency. This of course requires that we both cooperate and coordinate at the highest level.

The Spectrum Summit successfully combined inputs from all spectrum policy makers across Europe including regulatory bodies, industry and end user representatives. Arising from the Summit, the European Commission developed a proposal for a first five-year spectrum policy programme which is currently being debated by the parliament and council – the so-called **Radio Spectrum Policy Programme (RSPP)**. This type of interaction between all stakeholders is an example of what is required for effective cooperation to create maximum value. In order that each understands the needs and requirements of the others we must discuss issues and possible solutions in a wholly inclusive manner and in a way that allows all perspectives to be communicated. This will assist in finding solutions and ways of working that are suitable for all parties and at the same time manage to maximise the value of the precious resource that is the radio spectrum.

Taking the example of the use of ‘White Spaces’, a subject that is addressed extensively during this conference, we see that there are different demands and expectations being placed on the use of spectrum; whether it be governments viewing it as an opportunity for revenue generation, regulatory authorities viewing it as an opportunity to promote innovation or other policy makers viewing it as an opportunity to implement technologies to be used for ‘social good’. At an even higher level there may be concern that a different approach may be taken in Europe compared to that adopted in the Americas. This is a perfect example of a situation where compromises are required if we are all to work together to derive maximum



benefits and a balance between the social and economic aspects of spectrum. Regardless of the different views of what can or should be done with particular frequency bands I think that we can all agree that discussions at every level are required in order to find a mutually beneficial solution to the development of our policies.

## Closing Remarks

Whatever about differences of opinion regarding the ultimate designation or use of specific frequencies I believe we can all agree on a few key fundamentals;

1. First of all, radio spectrum is a finite resource of enormous value and potential: – by taking appropriate policy decisions, we have the power to support technological innovation, to grow our economies, to increase employment and to supply our consumers with services, both commercial and public, which enhance and safeguard their lives.
2. Secondly, I believe that we can all agree that because of these reasons we need to commit to cooperating with one another to ensure that we make the right decisions as to the use of this powerful resource on a global level in particular through engagement in international fora such as the World Radiocommunications Conference (WRC) and the United Nations Group on the Information Society (UNGIS).

Thank you.